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Ph.D. Synopsis

on

'An Analytical Study of Income and Expenditure Patterns of Working Women in the Organized Sector : Special Reference to Latur District'

Under the faculty of **Commerce**

For the Award of Degree of

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1.1 Introduction :

"Whenever expenses become greater than income,
it is inevitable that liabilities will become greater than assets."

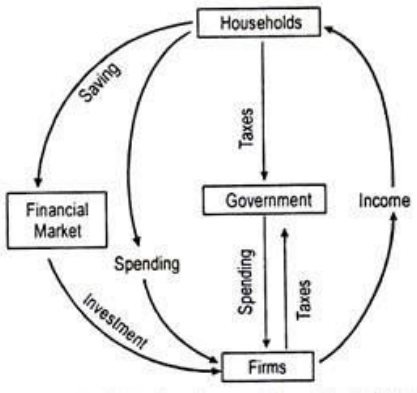
— Hendrith Vanlon Smith Jr

India is one of the fastest developing countries. As per the Forbes report, an annual Gross Domestic Product (GDP) is 7.2 percent in the fiscal year 2022-23, whereas the world's average GDP ratio is 2.8. India's GDP growth was increased due to the strong performance in the service sector and vigorous consumption. It indicates the India's position as one of the world's fastest – expanding and major economies. Increase in imports of capital goods is one of the factors contributing to India's growth. It indicates the improved private sector capital formation in the country and confidence in the India's economic prospects.

In every country, growth can generate honest circles of prosperity and opportunity. Strong growth and employment opportunities improve incentives for parents to divert their expenditure on education. This may lead to strong and growing group of entrepreneurs, which should generate pressure for improved governance. Strong economic growth therefore advances human development and promotes economic growth.

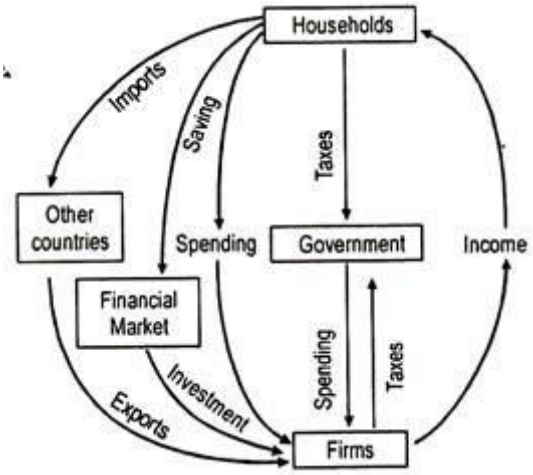
In three-sector (closed) economy, the government intervenes. Government spends not only for the benefits of the general people and firms but also imposes taxes on them to finance its spending. In this economy the mathematical equation for government is Y = C + I + G. (Where, Y = National incomes, C = Private consumption spending, I = Private Investment spending and G = Incurring expenditures). These activities denoted in Fig. 1.

Fig. 1 : Circular flow of Income and Expenditure in Closed Economy



Now-a-days, all the economies of the world are open economies. In an open economy conducts business with other countries in variety of ways. It trades commodities, services as well as financial assets with other countries. Open economy broadens a country's market. In this economy, country gets money by exports and spending money on imports. Hence, the equation for open economy becomes Y = C + I + G + (X – M), where X – M indicates Exports – Imports. Open economy denotes in Fig. 2

Fig. 2 : Circular flow of Income and Expenditure in Open Economy



Investment is a means and tools for the Governments to mobilize required resources to promote different goals of development. The level of income, output and employment in an economy depends upon effective demand, which depends upon expenditures on consumption goods and investment goods. Investment is a component of aggregate demand, which shifts the aggregate demand curve.

To generate the capital, income and expenditure is the major factors. There are many factors that determine to spend more on goods, which are not required for day-to-day living expenses. These factors include stock market trends, tax laws, even consumer optimism. In short, savings are very important tool for creation of capital, which creates job opportunities; it leads to increase the income of the person.

Now-a-days, In India women are allowed to become educating and working outside. Women played important role in different sectors such as government servant, as social worker and so on. Women are working in every sector of economy either organized sector or unorganized sector. The contribution of women working in organized sector are 29.3% and 70.7% are male out of total estimated workers in organized sector.

At present, modern women occupy top ranks and achieve immense success in all the fields such as politics, administration, services, police, etc. The performance of macroeconomic variables such as national income, savings, income and expenditure

are used to measure how the economy is growing. The per capita income and the consumption of both food and non-food goods are major factors of human growth. The organized sector plays an important role in the economy of country not only manufacturing the goods and services but also by providing the employment opportunities to the people. Women plays vital role in the development of the nation. And now-a-days the participation of skilled women are increasing in organized sector because they are hardworking in their study, honest to their duty and maintain consistency in ongoing work. The government also provides them opportunity such as reservation to attract towards job and improve the women's socio-economic condition as well.

1.2 Review of Literature :

The researcher has conducted the review of literature related to the selected problem and reviewed some journals, research papers, Ph.D. thesis, magazines and published articles.

1. R. Thanga Selvan *et.al.*(2013), studied on 'Income and Expenditure Pattern of Women in *Beedi* Workers in the Radhapuram Taluka of Tirunelveli District, Tamilnadu'. The scope of their study to know the income and expenditure as well as to identify the socio-economic aspects such as religion, age, caste, education, size of family, savings and borrowing of women *Beedi* workers. The study found that, majority *Beedi* women workers have no higher education. Most of the women save their money in commercial bank. They spend 41.24% of total earnings on food items and 14.25% on children's education.

2. G. Kulothunga Raja Boopathi (2014), has studied on 'A comparative study of participation of women workers in organized and unorganized sector in Madurai District'. The researcher has mainly focused on to analyze the expenditure pattern of household of women workers of organized and unorganized sectors. In this study, the researcher was found that the income of working women and their families are low. No women workers is found to be earning more than Rs. 1,000/- p.m. on an average and moderate inequality in the distribution of income is observed. They spend their lowest share of expenditure on education i.e.4% out of total expenditure. The majority share of total expenditure is on the basic requirement such as food items, rent and other miscellaneous expenses.

3. Randeep Kaur (2018) has done research on, 'Income and Expenditure Pattern of Rural Households: A Case Study of Border District of Panjab'. They have selected different class of respondents such as farmers, salaried households, self employed, non-agricultural and agricultural labourer. He found that total 53% of the total expenditure was spent on food items. However, in urban area, maximum 57%

monthly Per Capita Expenditure was on non-food items and 43% monthly Per Capita Expenditure on food items.

4. Anila Balan (2020), conducted a survey on 'A study on Income and Expenditure pattern of working women in Chazhur Panchayath of Thrissur District in Kerala'. The main objective of her study is to know the relationship between the level of income and expenditure of working women and to know the major spending of their salary. The study reveals that most of the respondent's major source of their income is from the salary earned by them and their next major source of income is from property and from sale of valuables.

5. T. Rajendra prasad *et.al.*(2021), has studied on 'A study on investment and expenditure pattern of working women in Tenkasi District Tamilnadu'. The significance of the study is to create the awareness among the working women regarding investment and spend money in a profitable way. There are lot of expenses and investment pattern for study but researcher has selected few of them. The research variables such as monthly income, expenditure pattern, level of awareness and level of significance. The study found that the 75% working women come under the income group of Rs. 15,000 to Rs. 25,000 per month. The prime investment option is banks fixed deposit because of safety and security. They don't have the knowledge about other investment options. The researcher also found that the expenditure pattern of working women is children's education and housekeeping.

Number of studies on this issue has been conducted, but still lot of research needs to be necessary in this field. Some of the research studies examined the income and expenditure pattern at micro level and some at macro level. The research is not conducted on income and expenditure pattern of organized sector women in Latur district.

1.3 Origin of Research Problem :

In order to create capital it is necessary to decrease the expenditure, which leads to saving. Expenditure will be decreased, when there is a scope of earning on savings. If rate of return is more on investment in financial assets, availability of appropriate saving schemes, trust on financial institutions, tax policies of the Government, rate of inflation, etc., then the saving will be increase.

To canalize the savings into investment, Government, RBI, SEBI, IRDAI, PFRDA, etc. has also organized 'Financial Literacy Programmes' to educate the households in the financial domain. However, these surveys and studies has been targeted the earnings of members of the households, which most of the times turn out to be a male member. But, most of the times, in houses where both the couples are earning the studies are related to male members income, saving and investment

pattern. Most of the times the savings and investments of female members don't reflected in the surveys and studies.

It is necessary to study the income and expenditure pattern of the female members of organized sector to encourage savings by reducing the expenditure. To study the problems faced by the female members of organized sector are considered in this research project, which will definitely help to reducing the expenditure, making savings and canalize their savings into investment.

1.4 Statement of the Problem :

As per the report of 'Labour Force Participation Rate' there is increase in the female workforce from 18.6% in the year 2018-19 to 25.1% in the year 2020-21. Though, they are facing basic problems are social impact, security, inequality, and lack of required skill these are some of the factors why women has not entered into workforce in large.

Marriage can be the career stopper for the majority of Indian women. As compared to other developed countries, India's female workforce participation is low i.e. 25.1% as compared to male workforce i.e. 57.5% in the year 2020-21. Unequal pay, lack of knowledge to spend the money in profitable way these are the problems of working women. Women are dependent to her family members to take any kind of decisions due to the fear of safety and security even though they are financially independent. Majority of women uses traditional form of investment and saving like gold, bank FD's etc. and they are not aware of other profitable investment options like securities and other capital market instruments.

So, the researcher has conducted the study to find the solutions on following problems:

1) What is the need of awareness of working women regarding income and expenditure?
2) What is the significance of improving financial status among working women?
3) What are the problems faced by working women at the time of expenditure?

1.5 Scope of the Study :

The present study covers to identify the income and expenditure pattern of women working in organized sector in Latur District. It will create the awareness among the women to improve their economic condition and status in the society. The aim of this study is to know the contribution of women to the total family income and to spend the money on consumption.

a) Geographical Scope: The study is related with the Latur district of Maharasthra State. Only the women working in organized sector in Latur districts will be selected as sample for the present study.Latur district is divided into five sub-

divisions. All the sub-divisions may give the same weightage in selection of samples. Various organized sectors may considered

b) Periodic Scope: The sample will be selected from the women who are worked more than five years and those are working during the financial year 2018-19 to 2023-24. The women working in organized sector during this period will be considered as sample.

1.6 Objectives of the Study :

1. To know the various sources of income of working women in organized sector.
2. To find the expenditure pattern of women in Latur District.
3. To make the comparative study between level of income and expenditure of working women.
4. To know the women's assistance to the total family income and scope of spending her income.
5. To find out the problems faced by working women in earning the income and expenditure.
6. To give suitable suggestions for improvement.

1.7 Hypothesis of the Study :

1. Hypothesis 1 :

Ho : There is significant relationship between Income and Expenditure pattern.

H1 : There is no significant relationship between Income and Expenditure pattern.

2. Hypothesis 2 :

Ho : Different occupational women have the same tendency to spend on food and non-food goods.

H1 : Different occupational women do not have the same tendency to spend on food and non-food goods.

3. Hypothesis 3 :

Ho : Monthly Per Capita Expenditure of different occupational groups of women are depends on age, income and education.

H1 : Monthly Per Capita Expenditure of different occupational groups of women are not depends on age, income and education.

4. Hypothesis 4 :

Ho: There is significant relationship of women's contribution to the Total Family Income.

H1 : There is no significant relationship of women's contribution to the Total Family Income.

1.8 Limitations of the Study :

1. The study is limited to women's working in organized section in Latur district only.
2. The study is related to financial matter, so there is a possibility of inaccuracy in collection of data.
3. Unwillingness of respondents to disclose the amount of income and expenditure will affect on the conclusions.
4. The amount of income and expenditure will be considered on monthly basis.
5. The study is limited to Latur District only, so the results obtained from the research will not be applicable as it is to other district.

1.9 Research Methodology :

a) Source of Data :

Data play important role in research. The researcher can collect the relevant data required for her study from various sources. The primary sources of data are original in nature and collected by the researcher to complete her research study. Primary data are collected through convenience sampling method. The secondary data are those which are already been collected by individuals or agencies and are compiled in the form of reports.Primary and secondary data will be considered for the present research.

b) Primary data:

Primary data will be collected through structured questionnaire and interview of women working in organized sector. A scheduled interview and structured questionnaire will be prepared for gathering the information from working women in organized sector. Before the collection of primary data the pilot study will be organized for the feasibility of the data collection.

c) Secondary data:

The sources of secondary data collection may be further classified into two parts i.e., External sources (Published sources) or Internal sources (Unpublished Sources). The researcher can collect the data from external sources like books, journals, magazines, newspaper, etc. and through internal sources such as office record, marketing record and records of organization, etc. The tools like Information from government websites (e.g., Ministry of Labour), Reports of government and other relevant organization, India Year Book, etc. will be used as secondary data.

d) Sample Size: By considering the nature of population, the minimum sample size would be 386, which was calculated by using the following formula, which is universally accepted.

$$n = \frac{n_0 \times N}{n + (N - 1)}$$

where, n = sample size, n_0 = Proportion of unknown population, N = Known population size. However, the researcher raised the sample size to 400 for more reliability for the study.

e) Sampling techniques:

The convenient sampling and simple random sampling technique will be applied for collection of primary data. Latur district is taken for the study which consists five sub-divisions viz., Latur, Ausa, Nilanga, Udgir and Ahmedpur. Latur district is divided into 10 talukas. All employed female of organized sector will be considered for the study.

The research will identify the organized sector of all sub-divisions. Weightage to samples will be given on census basis. Total 400 samples will be collected from the five sub-divisions. Minimum 80 samples will be selected from each sub-divisions. These 80 respondents will be equally distributed in each organized sector. The research problem is related with finance, so the margin of error is 10% and level of confidence is 90%.

f) Statistical tools of Data Analysis :

Various statistical tools such as Microsoft Excel, SPSS software, Mean, Standard deviation, Correlation, Chi-square test, Mann Whitney U-Test, Friedman t-test, Likert Scale, etc. will be used for the analysis and interpretation the data. The data will also presented by graphs and diagrams.

g) Year-wise Plan of work and targets to be achieved:

Phase	**Target to be achieved**
Phase I(6 months)	Course Work
Phase II (4 months)	Review of Literature
Phase III (5 months)	Finalisation of research topic
Phase IV (4 months)	Pilot study and sampling
Phase V (4 months)	Collection of Data
Phase VI (5 months)	Data classification and tabulation, presentation of annual progress
Phase VII (4 months)	Analysis of Data
Phase VIII (4 months)	Preparation of report
Total Time	**3 Years**

1.10 Chapter Scheme :

The report may be divided into following six chapter -

Chapter 1 : Introduction

Chapter 2 : Review of Literature

Chapter 3 : Research Methodology

Chapter 4 : Data Analysis and Interpretation

Chapter 5 : Findings, Suggestions and Conclusions

1.11 References:

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